



STATE BOARD OF EQUALIZATION

January 25, 1966

C--- A---
S--- Inc.
XXXX --- --- Street
--- ---, CA XXXXX

Attention: Mr. R--- W. B---
Controller

SX -- XX XXXXXX

Gentlemen:

This is in reply to your letter of January 19, 1966.

It is our understanding that you purchase Laminac, a polyester resin which you use for impregnating metal parts owned by others to prevent microporosity.

It appears to us that the Laminac treatment process is a fabrication rather than a reconditioning operation, inasmuch as the treatment imparts a physical characteristic to the treated articles which they did not possess prior to treatment.

Accordingly, if the parts which you process with Laminac are furnished to you by consumers, you are regarded as the fabricator thereof, and your charges for such fabrication are subject to sales tax. If, on the other hand, the parts are furnished to you for processing by persons who resell the impregnated parts, your charges for such processing are exempt, as receipts from sales for resale.

In either event, the sale of Laminac to you for such purposes are exempt sales for resale.

Very truly yours,

George A. Trigueros
Associate Tax Counsel

cc: --- -- Subdistrict Administrator

GAT:ab